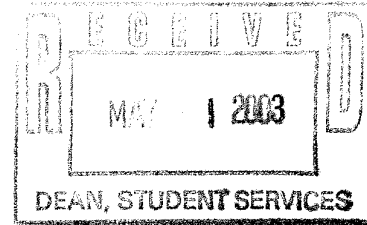


University of Hawai'i

K A P I ' O L A N I C O M M U N I T Y C O L L E G E

Office of the Provost

May 1, 2003



Mr. John McAllister
1503 Punahou Street, Apt. 2A
Honolulu, HI 96822

Dear Mr. McAllister:

During our last meeting, I asked if you would provide us with the name of your VA representative so that we could determine whether any action taken by the College might inadvertently have a negative impact on your support from VA. While I am still interested in being able to talk with your representative, in the interest of time, I am presenting to you the actions that will be taken by the College to address your Spring enrollment. These actions are subject to your concurrence.

1. You will be administratively withdrawn from Math 24 and FAMR 230 without penalty. No record of your enrollment in these courses will appear on your transcript. All tuition paid for these courses will be refunded.
2. You will be enrolled in Math 24 and FAMR 230 during Summer 2003. If, for any reason, the VA will not provide tuition for these summer classes, you will be granted a tuition waiver that will cover the cost of the classes.
3. You will be provided with a tutor at no cost for both the Math 24 and FAMR 230 classes. The level of tutoring support will be 2 hours per week for each class.
4. After review of the circumstance of your financial aid loan default, there is no legal action the College can take to resolve that loan. The decision on the disposition of the loan belongs solely to the vendor. However, under some circumstances, the lender may choose to consolidate the loan. Our financial aid counselors are willing to meet with you to determine the level of financial aid you would receive if the loan issue is resolved and to advise you on how to approach the lending company.

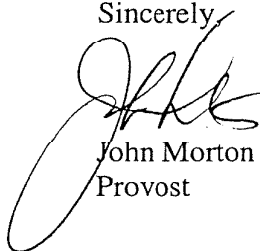
While I believe that the College acted properly to deal with the events that occurred with the volunteer math tutor, I understand the negative impact those events have had on your ability to complete the two classes above. It is my hope that the steps suggested above will allow you to stay on track with your goal of becoming a Radiologic Technician.

EXHIBIT "7"

A000089

Upon your acceptance of these terms, I will direct the Records Office to execute the appropriate changes in your registration for Spring and Summer. I also remain willing to talk with your VA representative to be sure that there are no negative consequences for your support.

Sincerely,

A handwritten signature in black ink, appearing to be 'John Morton', written over the printed name and title.

John Morton
Provost

c: Mona Lee

Mona Lee

To: maryperr@hawaii.edu
Cc: jmorton@hawaii.edu; mune@hawaii.edu
Subject: Student complaint

Mary,

Here's a listing of the most recent actions taken by the college to assist John McAllister, the student you spoke with today:

1. Based on information received during a phone conversation with John McAllister's VA counselor, the college will be awarding Mr. McAllister an "I" (incomplete) grade for each of the two classes that he was unable to complete this semester. According to the VA counselor, this is the only way to avoid the situation where John McAllister would have to repay the VA for benefits received during the semester. John McAllister was present during this phone conversation as was Cindy Suzuki, our Registrar, who is also knowledgeable about VA benefits. (The VA counselor is leaving on vacation this Friday and his availability for an in person meeting was extremely limited.)
2. Mr. McAllister will complete both classes during the summer session, removing the "I" grades by mid-August.
3. Mr. McAllister enrolled yesterday in 2 additional classes for the summer session which would continue his VA benefits for the summer. According to his VA counselor, his VA payments continue only if he is enrolled at the college during the summer.
4. Mr. McAllister yesterday registered for 9 credits for the fall semester to ensure that there would be no break in benefits during this upcoming period (yesterday was the deadline to submit copies of his registration forms to the VA office).
5. Mr. McAllister has an 8:00 a.m. appointment this Friday with our Financial Aid Officers. Mr. McAllister will be calling his current loan agency in New Jersey asking for consolidation of an "old" loan that he received in 1984 from a postsecondary institution there. Our Financial Aid staff will be assisting him with this call. If he is granted approval to consolidate the loan, he will become eligible to receive financial aid from KCC.

Pls. call me if you need more information.

Mona